1340
1000 WATTS

WDCR

HANOVER · NEW HAMPSHIRE 03755
BOX 957 · TELEPHONE 603/643-4500

WILLIAM D. DOWNALL General Manager
STEPHEN D. KEPES Program Director
ROBERT G. KIRKPATRICK Business Manager
TIMOTHY A. McKEEVER Development Director
MICHAEL L. RIEGER Technical Director
CHARLES SMITH Sales Director

March 24, 1971

Dear Bill:

Our Directorate has spent some time considering our relationship with the Ivy Network, and we have compiled some questions we have about the operation of the organization, and some possible modifications to improve its operations.

We are curious as to the manner in which staff recruitment is handled. Particularly, it seems that with the improved roads now covering the region we operate in, it should be possible to make more use of qualified personnel at schools other than Yale. Also, a larger staff of sales personnel certainly couldn't have a bad effect on sales volume.

A second question relates to the payment of sales commissions. We are unable to find any reference to commissions in the Bylaws, and are curious about the payment structure.

In connection with the commission schedule, wouldn't it be a good idea to make the commissions available to members of the various station staffs, and compensate them for Network sales?

A very serious concern is the matter of Cornell refusing orders and then reselling them direct. I do not believe we will be able to accept Ivy orders ourselves if this continues. I believe the best way to handle this would be a clause in the service agreement such as:

"All orders solicited by the Network must be accepted by the station unless they conflict with station policies as previously communicated to the Network in writing."

Obviously, VBR could adopt a policy of not accepting orders, and still retain membership in the corporation itself. Also, FM's could be invited to sign agreements too, or to communicate their refusal to accept Ivy orders. I believe this offers the best way to resolve this problem.

We have also gone over the last budget, and there are several items which we don't understand. I have listed them below:

Football Tickets	$75.00
Survey Preliminaries	$100.00
Reference Material	$600.00
Phone Bill	$2000.00
Meetings	$600.00
Merchandising	$300.00
Legal	$1000.00

We are concerned both with the expenses themselves, and their magnitude, particularly since if I understand the Treasurer's Report at the last meeting correctly, Ivy has about $2000.00 on hand, and $6500.00 owed by Campus. Since retained liability of $14,790.50 is shown on the June 30, 1970 financial report, and an addition of $6138.00 is budgeted for this year, it seems that we actually show a loss in excess of $11,000.00 this year.

Also, according to the Spring 1970 minutes, a certified audit was to have been taken this year. We find no explanation in the records for the uncertified audit that was taken.

Our suggestions, which we would like to have your reactions on, are as follows:

(1) Reduce the Ivy share of gross revenue to 20%. This would allow us a 5% margin over the 15% that proves profitable for standard representatives.

(2) Provide for assessments against station payments in the event of a loss.

(3) Set commission on renewals at 2%.

(4) Set commission on new sales at 5%.

(5) Change the bylaws to provide for division of any surplus earned on this new schedule among the Ivy staff on the basis of time worked.

I think that adoption of these suggestions would increase station net income, provide more incentive for higher volume, and recognize the fact that Ivy is primarily a representative rather than a working network.

Finally, we would like to recommend that Ivy adopt the Standard Billing Calendar, which has been endorsed by the NAB, RAB, and AAAA. This will both add efficiency to operations, and possibly make us seem more "businesslike" to our national clients.

We hope that Sandy, and perhaps other staffers, will be able to visit Hanover before the Spring meeting. I think a meeting with our full Directorate would be helpful to all of us, and we have agreed that all members will arrange to be available at whatever time is convenient for you.

I will be discussing this with George Schweitzer this Friday in Boston, to get his reactions. We plan to circulate a letter to all the member stations prior to the Spring meeting to solicit their thoughts. I hope we can get your reactions first, since it is quite probable that the answers to many of these questions are obvious to those who have paid more attention to Ivy affairs than we have in the past.

Fot the Directorate,

Charles Smith
Sales Director

Mr. Bill Bates
President
The Ivy Network
242-A Yale Station
New Haven, Connecticut

CC:George Schweitzer
Chairman of the Board

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